

B10 Working Life

E-biz needs big thinking



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Anyone who thinks we are in the midst of a tech slump isn't reading the signals carefully enough.

Sure, telecom and computer companies might have lots of excess inventory and are suffering with the collapse of startup telecommunication carriers. And yes, the dot-com crowd has learned that you can't build a business by giving stuff away.

But there are numerous organizations with significant e-biz initiatives. In many sectors, the spending floodgates are open as senior executives realize that e-biz is about more than flashy Web sites.

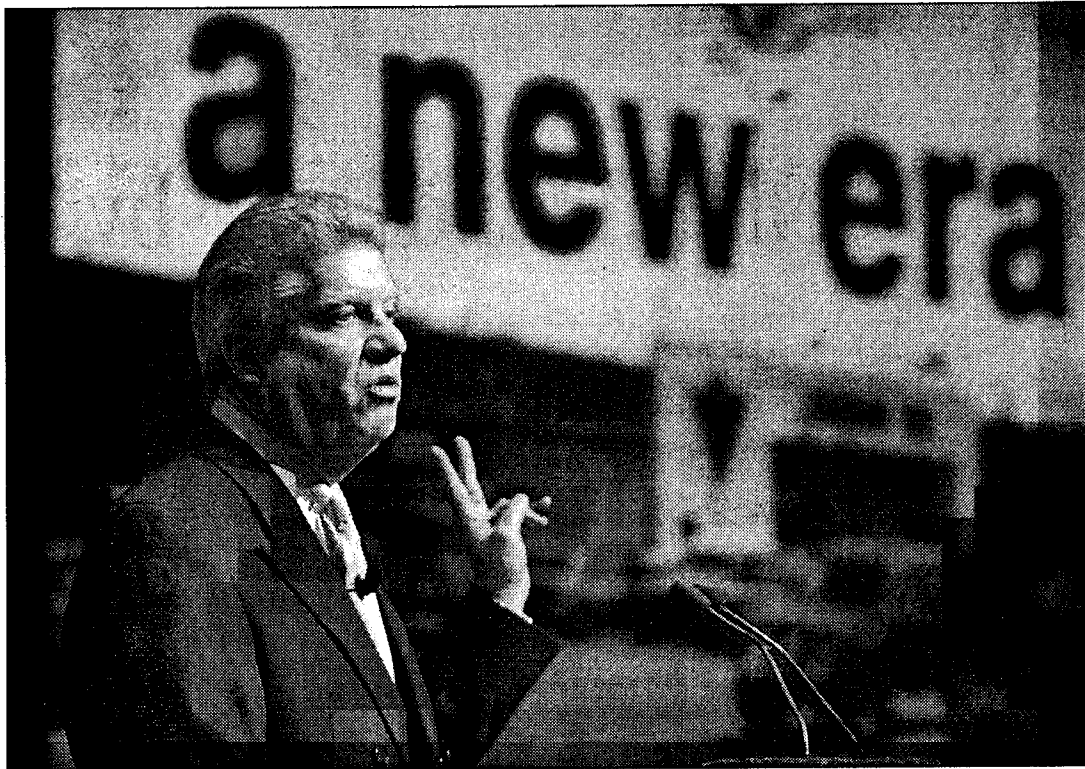
They've learned that in the wired economy, there is a big opportunity to apply sophisticated technologies that will help them run their businesses better, open new markets, or sell more effectively to their customers.

Take Canadian Tire. Earlier this month, CEO Wayne Sales talked about the company's plans to plow about \$230-million into an e-business initiative over the next four years to streamline its supply chain. It's spending \$110-million in the first year alone. That's a real e-biz initiative, as the goal will be to better manage inventories, cut operating costs, and continue to move to a system that is less reliant on paper.

With that type of investment, there's got to be a lot of senior executive leadership. If only other organizations could be so lucky.

Many companies still aren't quite prepared to deal with e-biz, and it is their internal culture, organizational structure, and assignment of responsibilities that stands in their way.

I recently led senior executives of a multi-billion dollar organization through a workshop, with the intent of helping them establish their



TIBOR KOLLEY/THE GLOBE AND MAIL

Canadian Tire CEO Wayne Sales talks about the company's plans to plow about \$230-million into an e-business initiative over the next four years to streamline its supply chain.

e-biz strategy. They already had several projects under way, but each was sputtering along.

In order to get them thinking, I first walked them through the competitive threats that e-biz presents, and then outlined the nature of possible opportunities. I also began to challenge them. And the result of the sometimes heated discussion that ensued laid bare the barriers to their success.

First, the participants concluded that there was no effective leadership with respect to their e-biz activities. The CEO never lit a fire under any of the efforts, with the result that mixed signals were given with respect to the significance of e-biz. In the absence of leadership, risk-taking disappeared.

Without leadership, the mission lacked clear goals and vision. Each project existed in a vacuum. Yes, there were lots of meetings, lots of memos, and the appearance of lots of action. Yet by the end of the day,

there was no cohesive team spirit, no collective desire to transform the organization through e-biz.

The result? People throughout the organization were busy with their daily work, and e-biz was just one more thing that they had to fit into their schedules.

Finally, to make things worse, everyone came to realize that from the start, the wrong approach was taken with e-biz.

Everyone thought that it was about applying bits of technology to different bits of the company—no one perceived that this was a watershed period in the evolution of the corporation, and that perhaps some big thinking was required.

Once they got into the big thinking, it got interesting. There was a realization by everyone in the room that what was really going on with their industry, with the new emerging competition, and with evolving business models, was that the orga-

nization was faced with a tough and fundamental question: "What business are we in?"

And that is why we can learn a lot from Canadian Tire. You can be sure that Mr. Sales and the senior management team at Canadian Tire are behind their \$230-million effort. There can be no doubt that there exists a clear and concise strategy, with a number of key goals in mind and that the organization is collectively enthused with a team spirit, a belief that using technology to streamline its supply chain is something that needs to be done.

The barriers to e-biz aren't the lack of opportunities or a tech slowdown.

The barriers exist, culturally and otherwise, within organizations themselves. Solve that, and you've gone a long way to solving your lack of progress in getting involved with the New Economy.

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